

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 2000-487

June 15, 2000

BANGOR HYDRO-ELECTRIC COMPANY
Proposed Tariff Revision to Interruptible
Service Tariff

ORDER

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

I. SUMMARY

In this Order, we allow Bangor-Hydro Electric's (BHE) proposed revisions to its interruptible rate tariff to take effect on the date of this Order.

II. BACKGROUND

On June 5, 2000, BHE submitted a filing in connection with its ongoing administration of standard offer service in its service territory. The purpose of the June 5th filing was to suggest mechanisms to address the possibility of high price spikes this summer. In an Order issued February 29, 2000, we authorized BHE to obtain approximately 40% of its standard offer power supply from the spot market. *Order Authorizing Bangor Hydro-Electric Company to Contract for Wholesale Power Supply and Establishing Standard Offer Prices*, Docket No. 99-111 (Feb. 29, 2000). As a result, BHE's ratepayers may be exposed to the risk of unexpected summer price spikes.

In its June 5th filing, BHE proposed, among other things, to modify its existing interruptible rate tariff to apply to current circumstances.¹ Under the proposed tariff, the customer must be on standard offer service and must agree to interrupt service of 100 kW or more upon BHE's request. The customer will be paid the greater of \$250.00 per MWH or 40% of the ISO-NE clearing prices for the interruption period.

III. DECISION

As discussed above, BHE's ratepayers may be exposed to the risk of extreme price spikes during the summer period. This risk can be reduced to some degree if customers on the standard offer agree to interrupt their service when substantial spot market price increases occur. Therefore, BHE's proposal to modify its interruptible tariff so that it is applicable under current circumstances is appropriate.

¹ BHE also proposed that the Commission consider increasing the amount of energy under fixed priced contracts to reduce the risk of high summer prices. In a separate order issued today, we approved two power supply contracts intended as a hedge against unexpected summer price hikes (Docket No. 99-111).

Accordingly, we

ORDER

That rate schedule Rate IR, as filed on June 5, 2000 is hereby approved and shall become effective on the date of this Order.

Dated at Augusta, Maine, this 15th day of June, 2000.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: Welch
Nugent
Diamond

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Civil Procedure, Rule 73, et seq.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.